



GUARANTEE HOUSING NEWS

*USDA/Rural Development
Concord Area Office
Concord Center
Suite 218, Box 317
Concord, NH 03301
Phone (603) 223-6035 FAX (603) 223-6061
TDD/TTY(603) 223-6365*

*Brattleboro Local Office
28 Vernon Street, Suite 3
Brattleboro, Vermont 05301
Phone (802) 257-7878 X102 FAX (802) 254-3307*

*St. Johnsbury Area Office
1153 Main Street, Suite 3
St. Johnsbury, VT 05819
Phone (802) 748-8746 FAX (802) 748-1621*

WINTER 2004-2005

LOANS GUARANTEED UP TO 102% LTV!

We want to remind lenders the the GRH mortgage insurance fee increased to two (2%) percent last December. The good news is loan guarantees can now exceed the RMV up to 102% to allow the fee to be included in the loan. This will help ease the cash burden that many first time home buyers experience when buying their first home.

BRATTLEBORO OFFICE UNDERWRITING LOAN PACKAGES FOR VT LENDERS

Starting on December 1, 2004 the Brattleboro Office began accepting reservations and issuing Conditional Commitments and Loan Note Guarantees for the following Lenders doing business in Vermont:

Bank of Bennington
Beacon Mortgage
Brattleboro Savings and Loan
Charter One
Chittenden Bank
Connecticut River Bank
Countrywide Home Loans
Heritage Family Credit Union
Mortgage Service Center dba Chittenden Bank
National City Mortgage
National Bank of Middlebury
Summit Financial Center
Vermont State Employees Credit Union
Wells Fargo Corp

Originators and processors for the Lenders listed please send all requests to the Brattleboro office listed below.

*USDA Rural Development
28 Vernon Street, Suite 3
Brattleboro, Vermont 05301
Phone (802) 257-7878 X102 FAX (802) 254-3307*

Deborah Boyd and Office Manager Jon-Michael Muirer from our Brattleboro office will be glad to assist you in any way. We hope this change will improve our customer service and provide additional staff to assist with your training needs and concerns.

Earlier this year, the St. Johnsbury Area Office started accepting and processing GRH reservation and obligation requests. Cheryl Ducharme and Area Director Steven Campbell will continue to provide service to the lenders in Northeastern VT and the Approved Statewide Lenders not listed above.

New Hampshire Lenders and all loans that cross the river into NH will continue to be serviced by the Concord Area Office. Colleen Ladew and the Concord staff are available to meet all of your

Guarantee needs. The Concord office continues to offer one-hour training and refresher courses. Whether you're an experienced lender, a little rusty with the GRH criteria, or if you're fairly new to lending, call Colleen at 603-229-6039 to get a schedule of available dates and times.

The Guarantee team of Colleen, Debbie, Jon-Michael, Cheryl and Steve want to help you originate more loans with RD as your Mortgage Insurer of choice. The new higher LTV loans will reach out to more customers. Our staff are available to arrange for training at your place of business and look forward to meeting you in the year ahead. Feel free to give them a call and introduce yourselves. We want your feedback.



NEW OFFERINGS...

Escrows for Repairs-Have an applicant who has a P&S contract on a home that needs rehab and needs 100-102% LTV financing? An important change that makes the program much friendlier to sellers has just been put in place.

Previously when some repairs were needed to the property being sold, most of the banks asked to have the work done before they would agree to close the loans. And that was because USDA could not issue our guarantee until the repairs were complete. Now we can approve repair escrow accounts and will immediately issue the loan guarantees after closing.

If the planned development does not affect the livability of the dwelling or affect health or safety of the housing occupants, RD will issue a Guarantee if the Bank establishes an escrow for at least 100% of the cost of development for work to be completed within 180 days.

This should take the pressure off sellers and buyers and real estate brokers. It will permit bankers to order appraisals "as improved" and to consider loaning some repair money to the buyers instead of having to demand concessions in the sales price.

A copy of the escrow waiver and a letter giving the details of the program was recently provided to all Approved Lenders. The RD Staff will be glad to provide you with additional information on this enhancement to our MI product. Please call.

FLEX 100 Guarantee Underwriting

RD in VT and NH can now accept the Fannie Flex 100 underwriting findings and ratio waivers with the flex product. Please call any of our staff if you

want to begin using this streamlined approach for RD Guaranteed loans.

REMINDERS

We continue to receive copies of 1980-21 Request for Loan Guarantee form with your packages. Please keep in mind that we need to get the **ORIGINAL 1980-21** form with original signatures for both the Lender and the Borrower(s). This form enables RD to recover funds paid as a loss claim to a Lender from borrowers in default of their loan. This form, along with all of the guaranteed forms, is available on-line. Go to:

<http://forms.sc.egov.usda.gov/eforms/mainervlet>. Click on "Browse Forms" and then input the form number (ex: 1980-21).

FAQs...

Question: *Can RD Guarantee loans to properties on private roads?*

Answer: RD can loan on single family dwelling or approved condominium unit on a hard surface or all-weather road. If the road is not town owned and maintained the Homeowners Association must be under the control of the homeowners and have at a minimum a road maintenance agreement that is recorded in the Land Records.

Question: *Can RD Guarantee Condominiums?*

Answer: The Condo must be served by a Homeowners Association under the control of the owners. The Condo must be approved or accepted by HUD, VA, Fannie Mae or Freddie Mac. We are flexible with unoccupied new condos if the HFA in either state is a participant. Please contact us if you have any questions on condos.

UPCOMING SPRING LENDER TRAININGS

Mark your calendars-Announcements out soon:

March 17th: White River: Quality Inn Suites

March 18th: Montpelier: VT Realtors Association

March 29: Littleton, NH: AHEAD offices

March 31: Concord, NH: Horseshoe Pond Place



**RURAL DEVELOPMENT IS AN EQUAL OPPORTUNITY LENDER,
PROVIDER AND EMPLOYER. COMPLAINTS OF
DISCRIMINATION SHOULD BE SENT TO: USDA, DIRECTOR,
OFFICE OF CIVIL RIGHTS, WASHINGTON DC 20250-9410**